

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GHW International

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9933)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

FINANCIAL HIGHLIGHTS

- For the year ended 31 December 2025, revenue of the Group amounted to approximately RMB4,113.2 million, representing an increase of approximately RMB251.2 million or 6.5% comparing with the corresponding period in 2024.
- For the year ended 31 December 2025, gross profit of the Group amounted to approximately RMB360.9 million, representing a decrease of approximately RMB30.2 million or 7.7% comparing with the corresponding period in 2024.
- For the year ended 31 December 2025, net profit of the Group amounted to approximately RMB13.4 million, representing an increase of approximately RMB0.5 million or 3.9% comparing with the corresponding period in 2024.
- For the year ended 31 December 2025, basic earnings per share of the Group amounted to approximately RMB0.013, representing a decrease of approximately RMB0.001 or 7.1% comparing with the corresponding period in 2024.
- The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Director(s)**”) of GHW International (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the year ended 31 December 2024 as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
Revenue	4	4,113,198	3,861,966
Cost of sales		(3,752,331)	(3,470,942)
Gross profit		360,867	391,024
Other income	5	26,577	28,019
Other gains and losses	6	5,289	(7,088)
Impairment losses reversal/(recognised) under expected credit loss model, net of reversal		2,349	(249)
Selling and distribution expenses		(147,348)	(172,556)
Administrative expenses		(136,497)	(137,807)
Research and development expenses		(57,148)	(48,864)
Finance costs	7	(36,315)	(39,906)
Share of results of associates		9	—
Profit before taxation	8	17,783	12,573
Taxation	9	(4,361)	339
Profit for the year		<u>13,422</u>	<u>12,912</u>

	Notes	2025 RMB'000	2024 RMB'000
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		(1,089)	(7,253)
Fair value gain on bill receivables at fair value through other comprehensive income		124	54
Income tax relating to an item that may be reclassified subsequently to profit or loss		(20)	(8)
Other comprehensive expense for the year, net of income tax		<u>(985)</u>	<u>(7,207)</u>
Total comprehensive income for the year		<u><u>12,437</u></u>	<u><u>5,705</u></u>
Profit for the year attributable to:			
– Owners of the Company		12,717	12,753
– Non-controlling interests		705	159
		<u><u>13,422</u></u>	<u><u>12,912</u></u>
Total comprehensive income attributable to:			
– Owners of the Company		11,732	5,546
– Non-controlling interests		705	159
		<u><u>12,437</u></u>	<u><u>5,705</u></u>
Earnings per share for profit attributable to the owner of the Company			
– Basic (RMB per share)	11	0.013	0.014
– Diluted (RMB per share)	11	0.013	0.014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		852,635	813,295
Right-of-use assets		72,888	74,699
Interest in associates		1,653	1,744
Rental deposits		1,177	1,082
Deferred tax assets		9,110	7,084
Loan receivable		—	17,266
Deposits for acquisition of land use right		10,000	10,000
		<u>947,463</u>	<u>925,170</u>
Current assets			
Inventories		395,567	414,619
Trade receivables	12	297,237	286,452
Bill receivables at fair value through other comprehensive income	13	89,867	127,229
Other receivables and prepayments		150,494	142,723
Tax recoverable		1,052	696
Financial asset at fair value through profit or loss		508	274
Derivative financial instruments		—	22
Amount due from an associate		18,982	12,956
Amount due from a non-controlling shareholder		—	1,000
Restricted bank deposits		51,147	33,945
Cash and cash equivalents		115,844	101,461
		<u>1,120,698</u>	<u>1,121,377</u>

	Notes	2025 RMB'000	2024 RMB'000
Current liabilities			
Trade and bill payables	14	433,355	404,024
Other payables and accrued charges		89,959	99,912
Amount due to an associate		1,596	—
Lease liabilities		5,443	4,366
Contract liabilities		60,637	33,550
Tax liabilities		3,363	2,069
Borrowings		609,113	705,211
		<u>1,203,466</u>	<u>1,249,132</u>
Net current liabilities		<u>(82,768)</u>	<u>(127,755)</u>
Total assets less current liabilities		<u>864,695</u>	<u>797,415</u>
Non-current liabilities			
Borrowings		128,141	65,939
Loans from related companies		73,150	81,050
Lease liabilities		6,049	5,786
Deferred tax liabilities		21,665	23,064
		<u>229,005</u>	<u>175,839</u>
Net assets		<u>635,690</u>	<u>621,576</u>
Capital and reserves			
Share capital	15	8,930	8,930
Reserves		590,261	576,852
		<u>599,191</u>	<u>585,782</u>
Equity attributable to owners of the Company		599,191	585,782
Non-controlling interests		36,499	35,794
		<u>36,499</u>	<u>35,794</u>
Total equity		<u>635,690</u>	<u>621,576</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

GHW International is a public limited company incorporated in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands as an exempted company with limited liability on 25 April 2018 and its shares (“**Share(s)**”) are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 21 January 2020. The controlling shareholders of the Company (“**Shareholder(s)**”) are Mr. Yin Yanbin (“**Mr. Yin**”) and Ms. Wu Hailing (“**Ms. Wu**”), the spouse of Mr. Yin. The addresses of the Company’s registered office and the principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands and 6th Building, Xincheng Science Park, No. 69 Aoti Street, Nanjing, the People’s Republic of China (the “**PRC**”), respectively.

The Company is an investment holding company. The principal activities of its subsidiaries are the manufacture and sale of chemical and pharmaceutical products.

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries have been prepared based on the accounting policies in accordance with IFRS Accounting Standards, which comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations, issued by the International Accounting Standards Board (the “**IASB**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include the applicable disclosures required by the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. 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 consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. Except for the new IFRS Accounting Standards mentioned below, the application of these new and revised IFRS Accounting Standards will not have material impact on the consolidated financial statements of the Group.

IFRS 18 “Presentation and Disclosure in Financial Statements” (“IFRS 18”)

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements” (“IAS 1”). 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 HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from manufacture and sale of chemical related products and medicine for both years.

	2025	2024
	RMB'000	RMB'000
Types of goods		
Methylamine Industry Series	1,306,777	1,359,067
Iodine Derivatives and Supporting Products	1,262,877	991,926
Goldenhighway New Materials	922,560	892,638
Advanced Materials Intermediates Series	296,751	378,681
Green Products	281,455	200,375
Healthcare and Wellness	20,959	23,800
Happy Elephant Selections	4,776	1
Others	17,043	15,478
	<u>4,113,198</u>	<u>3,861,966</u>
Timing of revenue recognition		
A point in time	<u>4,113,198</u>	<u>3,861,966</u>

The categorisation of types of goods has been revised to provide a more precise and accurate representation of the Group's financial performance and operations.

The Group's revenue is under fixed price arrangement with corporate customers. Under the Group's standard contract terms, the credit term is generally 60 days and customers have a right to exchange or return the goods only under the condition of quality issue tested by a third-party testing institution. In the opinion of the Directors, based on historical experiences, the impact of revenue reversal would be immaterial.

All performance obligations for sales of goods are for periods of one year or less. As permitted under IFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to unsatisfied performance obligations as at the end of the reporting period is not disclosed.

For the purpose of resources allocation and performance assessment, the key management of the Group, being the chief operating decision maker, reviews the consolidated results as a whole when making decisions about allocating resources and assessing performance of the Group and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from		Non-current assets	
	external customers		(excluding deferred	
	Year ended 31 December		tax assets, interest	
	2025	2024	in associates and	As at 31 December
	RMB'000	RMB'000	financial instruments)	2025
				2024
			RMB'000	RMB'000
The mainland of China	3,121,598	3,023,117	835,647	810,825
Europe	385,745	349,977	337	399
Vietnam	238,279	144,951	87,555	76,418
Other countries in Asia (excluding the mainland of China and Vietnam)	217,598	212,303	10,298	9,339
Others	149,978	131,618	1,686	1,013
	<u>4,113,198</u>	<u>3,861,966</u>	<u>935,523</u>	<u>897,994</u>

Information about major customers

There was no revenue from individual customer contributing over 10% of total revenue of the Group during both years.

5. OTHER INCOME

	2025	2024
	RMB'000	RMB'000
Government grants (note i)	6,085	9,836
Value-added tax (“VAT”) additional deduction benefits (note ii)	14,000	15,217
Bank interest income	1,418	1,644
Interest income on loan receivable	574	602
Gain on scrap materials sold	3,807	—
Others	693	720
	<u>26,577</u>	<u>28,019</u>

Notes:

- (i) The relevant government authority granted one-off and unconditional subsidies to the Group which were recognised in the profit or loss in the year which they received.
- (ii) Under the China Unveils End-of-Period VAT Credit Refund Policy for Advanced Manufacturing Sector, advanced manufacturing industry taxpayers are now entitled to additional 5% input VAT deduction with output VAT. One of the subsidiaries of the Group is benefited from this policy approximately RMB14,000,000 for the year (2024: RMB15,217,000).

6. OTHER GAINS AND LOSSES

	2025	2024
	RMB'000	RMB'000
Net exchange gains/(losses)	7,730	(7,424)
Losses on disposals of plant and equipment	(3,858)	(1,229)
Fair value changes on financial assets at fair value through profit or loss ("FVTPL")	250	(175)
Fair value changes on derivative financial instruments-foreign currency future contracts (note)	(82)	—
Others	1,249	1,740
	<u>5,289</u>	<u>(7,088)</u>

Note: During the year ended 31 December 2025, amount represented realised losses of RMB82,000 (2024: nil) and unrealised gains of nil (2024: nil) arising on changes in fair value of foreign currency future contracts.

7. FINANCE COSTS

	2025	2024
	RMB'000	RMB'000
Interest on borrowings	28,799	32,076
Interest on discounted bills	4,275	3,508
Interest on loans from related companies	2,668	3,991
Interest on lease liabilities	573	331
	<u>36,315</u>	<u>39,906</u>

8. PROFIT BEFORE TAXATION

	2025	2024
	RMB'000	RMB'000
Profit before taxation has been arrived at after charging/(crediting):		
Auditors' remuneration	2,131	2,190
Cost of inventories recognised as expenses	3,753,129	3,469,247
Impairment loss (reversed)/recognised in respect of		
– trade receivables	(2,349)	140
– other receivables	—	109
Depreciation of property, plant and equipment	89,463	75,635
Depreciation of right-of-use assets	6,836	7,453
	<u>96,299</u>	<u>83,088</u>
Total depreciation	96,299	83,088
Capitalised as cost of inventories manufactured	(73,282)	(66,755)
	<u>23,017</u>	<u>16,333</u>
Directors' remuneration	4,463	4,344
Other staff costs		
Salaries and other benefits	123,738	119,879
Retirement benefits	18,444	17,313
Share-based payments	1,541	—
	<u>148,186</u>	<u>141,536</u>
Total staff costs	148,186	141,536
Research and development costs recognised as an expense	57,148	48,864
(Reversal of)/recognised write-down of inventories, net of reversal (note)	<u>(798)</u>	<u>1,695</u>

Note: During the year ended 31 December 2025, some defective inventories became reusable after proceeding by the Group, thus a reversal of writedown of inventories of RMB798,000 was provided.

9. TAXATION

The Company was incorporated in the Cayman Island and is exempted from the Cayman Islands income tax.

No provision for income tax has been made for subsidiaries in the United States, Seychelles, Russia, Hong Kong and Canada, as there was no estimated assessable profit during both years.

Pursuant to the Ukraine corporate income tax law, the applicable tax rate of subsidiaries in the Ukraine is 18% (2024: N/A) during the year.

Pursuant to the Enterprise Income Tax Laws and Implementation Regulations of the Law of the PRC (the “**PRC EIT Law**”), the applicable tax rate of subsidiaries in the mainland of China is 25% for both years.

In 2016, Taian Havay Group Co., Ltd. was recognised as a High and New Technology Enterprise and enjoyed a tax rate of 15% since 2016, and further extended for another three three-year respectively in 2019, 2022 and 2025, according to the PRC EIT Law.

Certain subsidiaries in the mainland of China were qualified as small low-profit enterprises and enjoyed a preferential tax rate of 20% (2024: 20%) with 75% (2024: 75%) reduction for the first RMB3 million of annual taxable income during the year ended 31 December 2025.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	2025	2024
	RMB'000	RMB'000
Current tax	7,637	3,578
Under provision in prior years	15	1,885
	<u>7,652</u>	<u>5,463</u>
Deferred tax	(3,291)	(5,802)
Total	<u><u>4,361</u></u>	<u><u>(339)</u></u>

10. DIVIDEND

No dividend was paid or declared by the Company during both years, nor has any dividend been proposed since the end of the reporting period.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
	RMB'000	RMB'000
Earnings:		
Earnings for the purposes of calculating basic and diluted earnings per share attributable to owners of the Company	<u>12,717</u>	<u>12,753</u>
	2025	2024
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	944,320	943,975
Effect of dilutive potential ordinary shares:		
Share awards	<u>800</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>945,120</u>	<u>943,975</u>

12. TRADE RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Trade receivables	300,022	291,869
Less: allowance for credit losses	<u>(2,785)</u>	<u>(5,417)</u>
	<u><u>297,237</u></u>	<u><u>286,452</u></u>

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB229,237,000, net of allowance for credit losses of RMB5,264,000.

Generally, credit terms of 60 days is granted to customers. An aging analysis of the trade receivables presented based on the invoice dates, which approximate the dates of revenue recognition, at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0-30 days	219,816	186,358
31-60 days	56,330	52,546
61-90 days	14,471	34,866
Over 90 days	<u>6,620</u>	<u>12,682</u>
	<u><u>297,237</u></u>	<u><u>286,452</u></u>

The management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly.

As at 31 December 2025, carrying amount of trade receivables amounted to RMB1,633,000 (2024: RMB4,616,000) have been pledged as security for the Group's borrowings.

The Group does not hold any collateral over these balances.

The carrying amounts of the Group’s trade receivables that were denominated in foreign currencies other than the functional currencies of the relevant group entities are set out below:

	2025	2024
	RMB’000	RMB’000
Denominated in United States dollars (“U.S.\$”)	<u>60,012</u>	<u>54,262</u>

13. BILL RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025	2024
	RMB’000	RMB’000
Bill receivables at fair value through other comprehensive income (“FVTOCI”)	<u>89,867</u>	<u>127,229</u>

The following is an aging analysis of bill receivables at FVTOCI presented based on bill issuance date or endorsement date at the end of the reporting period:

	2025	2024
	RMB’000	RMB’000
0-180 days	<u>89,867</u>	<u>127,229</u>

As at 31 December 2025, the Group has pledged bill receivables at FVTOCI with a total net book value of RMB65,398,000 (2024: RMB102,385,000) to secure general banking facilities and supplier payments granted to the Group.

14. TRADE AND BILL PAYABLES

	2025	2024
	RMB’000	RMB’000
Trade payables	396,103	363,403
Bill payables (note)	<u>37,252</u>	<u>40,621</u>
	<u>433,355</u>	<u>404,024</u>

Note:

These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The following is an aging analysis of bill payables at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0-180 days	<u>37,252</u>	<u>40,621</u>

All bill payables of the Group are with a maturity period of less than one year.

The credit period on purchase of inventories is generally 90 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
0-30 days	157,794	207,405
31-60 days	123,651	39,702
61-90 days	63,288	67,922
Over 90 days	<u>51,370</u>	<u>48,374</u>
	<u>396,103</u>	<u>363,403</u>

The carrying amounts of the Group's trade payables that were denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	2025	2024
	RMB'000	RMB'000
U.S.\$	106,086	86,949
Others	<u>9,237</u>	<u>3,175</u>
	<u>115,323</u>	<u>90,124</u>

15. SHARE CAPITAL

	Number of Shares	Amount HK\$
Ordinary shares of HK\$0.01 each		
Authorised		
At 1 January 2024, 31 December 2024 and 2025	<u>10,000,000,000</u>	<u>100,000,000</u>
Issued and fully paid		
At 1 January 2024	1,000,000,000	10,000,000
Placing of new shares	<u>9,500,000</u>	<u>95,000</u>
At 31 December 2024, 1 January 2025 and 31 December 2025	<u><u>1,009,500,000</u></u>	<u><u>10,095,000</u></u>
		RMB'000
Presented as at 31 December 2024 and 2025		<u><u>8,930</u></u>

On 21 November 2024, arrangement (the “**Placing Agreement**”) was made for a private placement (“**Placing**”) to independent private investors of 9,500,000 Shares with total consideration of HK\$24,700,000 (equivalent to RMB22,228,000), at a price of HK\$2.6 per Share, representing a discount of approximately 19.80% to the average closing price of approximately HK\$3.242 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 21 November 2024. All the conditions set out in the Placing Agreement had been fulfilled and the Placing was completed on 10 December 2024.

The proceeds were used to provide additional general working capital for the Company. These new Shares were issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 22 May 2024 and rank pari passu with other Shares in issue in all respects.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Our Group is an applied chemical intermediates provider in the integrated chemical services market, which primarily engages in the production and sales of chemicals and sales of chemicals produced by third party manufacturers based in mainland China, the Southeast Asia region, Europe and the United States (the “US”). With headquarters in mainland China, our Group offers a comprehensive product portfolio with a wide range of applications and a full spectrum of services relating to chemical intermediates supply chain through extensive global operations and sales network, including research and development (“R&D”) on production processes, strong product customisation capabilities, manufacturing of quality chemical products, sourcing of wide-ranging chemicals manufactured by third party manufacturers, efficient and safe logistics services and after-sales services.

As at the date of this announcement, we have seven principal business segments, including: Methylamine Industry Series, Goldenhighway New Materials, Advanced Materials Intermediates Series, Green Products, Healthcare and Wellness, Iodine Derivatives and Supporting Products, as well as Happy Elephant Selections. For better segment identification, in our original Advanced Materials Intermediates Series segment, we have retained our self-manufactured products in it, while regrouping all trading products, as well as all products in our original Applied Chemicals Series segment, to a new segment: the Goldenhighway New Materials segment. Besides, we have renamed our Pharmaceutical Intermediates and Active Pharmaceutical Ingredients segment to Healthcare and Wellness segment.

The Methylamine Industry Series segment primarily consists of animal nutrition chemical products, with choline chloride and betaine being the two major products. These two products are additives commonly used in feeds for poultry and livestock, which are crucial to the downstream animal husbandry industries. Choline chloride is an additive in animal feeds to accelerate animal growth. It can also be used as a clay stabiliser in oil and gas drilling and hydraulic fracturing. Betaine can be used as dietary feeding, playing a vital physiological role in animal bodies and enhancing the growth and survival rate of fish, poultry, swine and other animals.

The Goldenhighway New Materials segment focuses primarily on our trading business, including fine chemicals and polyurethane materials, as well as self-manufacturing polymer polyethers. Regarding the fine chemicals products, our Group primarily sources products, such as resins and oleochemicals from third-party manufacturers for onward selling to our customers. The major use of resins and oleochemicals involves the production of cosmetics, emulsifiers and lubricants. On the other hand, polyurethane materials, such as polymeric methylene diphenyl diisocyanate (“**polymeric MDI**”) and toluene diisocyanate (“**TDI**”), have extensive use in manufacturing industries, including insulation, building materials, adhesives, sponges, shoe materials, foam pads, interior components, and other lightweight automotive parts to promote fuel and energy efficiency. Self-manufacturing polymer polyether is application-oriented products designed to provide customised production solutions and services. During the past years, the sales structure of polyether polyol shifted from the rigid foam insulation industry to the soft foam automotive interior sector. Our Group provides products with diverse formulations to offer customers more competitive and value-added solutions.

The Advanced Materials Intermediates Series segment mainly consists of two self-manufactured products, namely isooctanoic acid and diethyl sulfate. The Group’s isooctanoic acid holds a significant market share in mainland China. It serves critical applications including paint drier, polyvinyl chloride (PVC) liquid stabilizer, catalyst and pharmaceutical raw materials, and synthesis of dyes, pesticides and pharmaceutical intermediates.

With increasing emphasis on environmental protection and sustainable development of our downstream customers, our Group has expanded into the Green Products segment, primarily producing cardanol products. The global cardanol market is experiencing a steady growth, with rising demand in traditional application fields and expanding applications. Cardanol is a natural product extracted from cashew nutshell liquid and is widely used in coatings, resins, pharmaceuticals and other fields. It also serves as a bio-based raw material. Our Group manufactures cardanol products at its production facility in Vietnam.

In the field of Healthcare and Wellness segment, our Group sells pharmaceutical products, such as cefpodoxime proxetil dispersible tablets, as well as other pharmaceutical intermediates. We have developed our moxifloxacin hydrochloride side chain production line and launched during the year.

The Iodine Derivatives and Supporting Products segment primarily consists of organic and inorganic iodine derivatives, as well as iodine. Due to the revision of our sales arrangement of some existing customers, instead of sub-processing service, we directly sell the iodine derivatives to them, leading to an increase in revenue.

Happy Elephant Selections segment represents one of our Group's new business segments, which primarily focuses on selling nutrition products sourced from third parties. Since 2022, our Group has been selling supplements acquired from third party manufacturers, such as vitamin tablets. Additionally, our Group organized sports events during 2024, which effectively promoted the product brand and supported the development of the sales market for supplements and related products.

BUSINESS REVIEW

During 2025, China's chemical industry faced significant challenges, including subdued demand, pronounced supply-demand imbalances, and declining profit margins. Despite slight growth in major chemical product output, falling raw material prices of specific products triggered widespread price reductions for these chemical products, dampening overall industry prosperity. Downstream demand remained weak, intensifying supply-demand tensions. While new capacity in basic chemicals was introduced, the pace of industry expansion was slow, leading to a loose supply-demand dynamic that further pressured profitability. Amid global low-carbon trends and China's "dual carbon" strategy, the fine chemicals sector is undergoing a transformative shift toward greener, smarter, and higher-value production processes, laying a robust foundation for sustainable industry growth.

Navigating a complex and dynamic industry landscape, the Group has solidified its leadership by leveraging technological innovation and integrated supply chain management to build robust core competencies. Despite challenges from weakened demand for traditional chemical products, the Group has achieved resilient growth in market share of our major products, showcasing strong risk mitigation and adaptability. Embracing an innovation-driven philosophy, the Group continuously optimizes its product portfolio through in depth market segmentation and operational expansion. By proactively exploring market needs and emerging opportunities, the Group refines its strategic business layout, adopting a diversified and specialized structure to address the market's evolving demands, thereby ensuring sustained and stable development.

In its pursuit of global expansion, the Group capitalizes on its technological expertise and brand strength to penetrate and cultivate international markets. Through strategic investments and collaborative partnerships with enterprises across multiple countries, the Group accelerates the global dissemination of its products and services. Simultaneously, it optimizes its global supply chain to enhance operational efficiency and reduce costs, strengthening its competitive edge in international markets. This strategic and comprehensive approach to globalization establishes a solid foundation for the Group's long-term growth, unlocking expansive opportunities for sustained global development.

During the year ended 31 December 2025, our Group recorded a revenue of approximately RMB4,113.2 million (2024: RMB3,862.0 million), representing an increase of 6.5% as compared to last year. Profit for the year increased from approximately RMB12.9 million for the year ended 31 December 2024 to approximately RMB13.4 million for the year ended 31 December 2025. The increase in revenue was primarily attributed to the increase in revenue from various segments, such as Goldenhighway New Materials, Green Products and Iodine Derivatives and Supporting Products, where:

- Revenue from the Goldenhighway New Materials segment increased by 3.4% from RMB892.6 million to RMB922.6 million. Such increase was primarily attributable to the commencement of sales of ethylene oxide and monomeric polyether in 2025. Ethylene oxide is used in chemical synthesis, sterilization and as an industrial additive. Our customers mainly involved in industries including solvent (alcohol ethers), demulsifier, pesticide emulsifier and surfactant. Monomeric polyethers are critical in the automotive industry for producing flexible and rigid polyurethane (PU) foams, coatings, and specialized elastomers.
- Revenue from the Green Products segment increased by 40.5% from RMB200.4 million to RMB281.5 million. The increase in revenue was primarily attributable to increases in (i) sales of cardanol to downstream customers as an emerging bio-based material in the fuel and oilfield industry, and (ii) cost of raw materials, which had led to an increasing market price of cardanol.

- Revenue from the Iodine Derivatives and Supporting Products segment increased by 27.3% from RMB991.9 million to RMB1,262.9 million. Such increase was primarily attributable to the increased sales volume derived from the Group's expanded market share and higher market penetration rate in both iodine and iodine derivatives.

The net profit for the year ended 31 December 2025 amounted to RMB13.4 million (2024: RMB12.9 million), representing an increase of 3.9 % as compared to last year.

The increase in profit was primarily attributable to increase in other gain due to the increase in net exchange gain as a result of the appreciation of various currencies, such as Russian Ruble and Mexican Peso against RMB during the year, as well as decrease in selling expenses due to decrease in logistic costs (including transportation, port charges and shipment costs), as driven by the decrease in sales volumes of several products such as methylamine and ethylene glycol; which was partially offset by the decrease in gross profit generated from particular products due to the expansion of market supply, leading to an intensive market competition.

Details of our financial performance are further explained below.

FINANCIAL REVIEW

Revenue

The table below sets forth the breakdown of our revenue by business segments during the year ended 31 December 2025:

Total revenue by business segments

	For the year ended 31 December			
	2025		2024	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Methylamine Industry Series	1,306,777	31.8%	1,359,067	35.2%
Iodine Derivatives and Supporting Products	1,262,877	30.7%	991,926	25.7%
Goldenhighway New Materials Advanced Materials	922,560	22.4%	892,638	23.1%
Intermediates Series	296,751	7.2%	378,681	9.8%
Green Products	281,455	6.9%	200,375	5.2%
Healthcare and Wellness	20,959	0.5%	23,800	0.6%
Happy Elephant Selections	4,776	0.1%	1	0.0%
Sub-total	4,096,155	99.6%	3,846,488	99.6%
Others (note)	17,043	0.4%	15,478	0.4%
Total	4,113,198	100.0%	3,861,966	100.0%

	For the year ended 31 December			
	2025		2024	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Self-manufactured chemicals	3,031,983	73.7%	2,927,971	75.8%
Chemicals produced by third parties	1,064,172	25.9%	918,517	23.8%
Sub-total	4,096,155	99.6%	3,846,488	99.6%
Others (note)	17,043	0.4%	15,478	0.4%
Total	4,113,198	100.0%	3,861,966	100.0%

Note: Others primarily include revenue generated from transportation of hazardous chemicals for third parties in mainland China and other miscellaneous income.

Methylamine Industry Series

The revenue from choline chloride, betaine, methylamine, and other products in this segment decreased by 3.8% from approximately RMB1,359.1 million for the year ended 31 December 2024 to approximately RMB1,306.8 million for the year ended 31 December 2025. Such decrease was primarily attributable to (i) the upgrade of production equipment during the year leading to reduction in days of operation of the production line; and (ii) the keen market competition of methylamine as new domestic production capacity became available in the market, leading to drops in sales volume and market price during the year.

The Group commenced the operation of the upstream methylamine facility in 2023 which has begun to support choline chloride production and enabled the Group's rapid market share expansion and a significant increase in sales volumes of choline chloride and betaine in 2025. With this competitive advantage, the Group successfully overcame intense market competition and achieved effective expansion in its market share. In the sales of choline chloride, the Group strengthened collaboration with existing customers, resulting in a steady increase in collaboration order volumes, while also successfully acquiring a significant number of new customers. As a result, sales of choline chloride increased significantly, laying the foundation for the Group's sustained and stable development in the choline chloride market.

The sales volumes of choline chloride and betaine increased by approximately 7.5% and 38.3%, respectively. This increase was primarily attributable to the Group's established strategy of gradually capturing more market share, further increasing market penetration. On the other hand, the sales volume and the average selling price of methylamine decreased by approximately 67.3% and 20.7%, respectively, as a result of a keen market competition as well as the upgrade of production equipment during the year leading to reduction in days of operation of the production line. The decrease in revenue derived from methylamine outweighed the increase in revenue derived from choline chloride and betaine, leading to an overall decrease in revenue from this segment. The increases in revenue and gross profit derived from choline chloride and betaine were partially offset by the price decline of trimethylamine, as the main raw material for choline chloride and betaine, which led to reduced costs but also significantly lowered the market prices of our products.

Due to the market oversupply in trimethylamine, the average selling prices of choline chloride and betaine decreased ranging from approximately 2% - 7% for the year ended 31 December 2025.

Iodine Derivatives and Supporting Products

The revenue from this segment increased by 27.3% from approximately RMB991.9 million for the year ended 31 December 2024 to approximately RMB1,262.9 million for the year ended 31 December 2025, primarily because of the increased sales volume derived from the Group's expanded market share and higher market penetration rate in both iodine and iodine derivatives.

The sales volume of trading iodine derivatives increased by approximately 19.4%, mainly due to a portion of sub-processing sales shifting to iodine salt trading at the request of customers. Besides, the increase in demand of potassium iodide from our downstream customers also led to the increase in sales volume. The average selling price of iodine derivatives rose by approximately 4.0%, driven by a tight supply of raw iodine, increasing prices, and a higher selling unit price for iodine salt.

The sales volume of sub-processing iodine derivatives decreased by approximately 150 tonnes, due to a partial shift from sub-processing to a trading model. The decrease in sub-processing iodine derivatives sales volume matched the increase in sales volume of trading iodine derivatives.

The sales volume of iodine significantly increased by approximately 38.1%, driven by increased market share and higher market occupancy. The average selling price of iodine rose by approximately 4.1%, driven by a continued tight supply of raw iodine, rising cost prices, and an increase in the selling unit price.

Goldenhighway New Materials

The revenue from Goldenhighway new materials, with resins, polymeric MDI, TDI and polymer polyethers as the major trading products, increased by 3.4%. In 2025, the Group introduced two new trading products, being ethylene oxide and monomeric polyether, leading to a total revenue of RMB56.7 million, which was partially offset by the decrease in revenue derived from polymeric MDI, TDI and polymer polyethers as a result of their downward pricing trend.

The overall market prices in TDI and polymeric MDI fluctuated with a downward pricing trend of approximately 10% while downstream industries such as construction, real estate and infrastructure recovered at a slower pace. Besides, the tense global trading environment led to domestic oversupply in mainland China, which further led to a price decline.

The sales volume of polymeric MDI increased by approximately 9.4%, primarily because of the reducing trading volume of competitors with small operating size due to the decreasing profit margin of the products, given the downward price trend over the year, leading to the increase of our market share. However, the sales volume of resins and polymer polyethers decreased by approximately 31.7% and 12.9%, respectively. The decrease in sales volume of resins was due to sluggish downstream industries.

Advanced Materials Intermediates Series

The revenue from isooctanoic acid and diethyl sulfate in this segment decreased by approximately 21.6%. Such decrease was due to a decline in domestic demand as well as oversupply from new market competitors. The sales volume of diethyl sulfate decreased by approximately 9.2%, and the average selling price of diethyl sulfate and isooctanoic acid decreased by approximately 5.9% and 29.4%, respectively, due to competitors with new production capacity entering the market and selling at low prices to capture market share, which further reduces the profit margins and selling prices.

Green Products

The revenue of cardanol significantly increased by 40.5%, primarily because of the market recovery in Europe, leading to increased exports and higher production capacity, as well as the rising raw material prices contributing to an increase in the selling price of finished products.

In the past few years, the Group actively explored new geographic markets. Under the market recovery in Europe, overall, the sales volume of cardanol increased by approximately 30.2%. The average selling price also increased by approximately 7.9%.

Healthcare and Wellness

The revenue from this segment decreased by 11.9%. With the continuous expansion of national centralised procurement and provincial-level alliance volume-based procurement, market competition has been intensified, resulting in a decrease in the average selling price of cefpodoxime proxetil dispersible tablets.

Happy Elephant Selections

During the year, the Group sold supplements, such as vitamin tablets and ammonia suger. The Group also engaged in the organisation of sports events to promote our brand. The segment contribution increased significantly with a revenue of RMB4.8 million, mainly driven by the increase of sales volume in supplements. During the year, the Group kept seeking collaborative product selection with third party customers, conducted promotion and marketing through tournament platforms, contestants and clubs. It planned to sign contracts with influencer and key opinion leaders (KOL) for live-streaming sales and establish a direct-to-consumer sales platform. Meanwhile, the Group developed its own branded products, built brand influence and Happy Elephant IP series.

The table below sets forth our total sales in terms of geographical locations of our customers during the year ended 31 December 2025:

Total revenue by geographical locations

	For the year ended 31 December			
	2025		2024	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Mainland China	3,121,598	75.9%	3,023,117	78.3%
Europe	385,745	9.4%	349,977	9.0%
Vietnam	238,279	5.8%	144,951	3.8%
Other countries in Asia (excluding mainland China and Vietnam)	217,598	5.3%	212,303	5.5%
Others	149,978	3.6%	131,618	3.4%
Total	<u>4,113,198</u>	<u>100.0%</u>	<u>3,861,966</u>	<u>100.0%</u>

Our revenue derived from mainland China contributed approximately 78.3% and 75.9% of our total revenue for the year ended 31 December 2024 and 2025, respectively. Given that the revenue derived from mainland China constitutes a substantial portion of our total revenue, the fluctuations in revenue from sales in mainland China for our different business segments were in line with the fluctuations in the overall revenue of each of these segments.

Our revenue derived from Europe, Vietnam and Asia (excluding mainland China and Vietnam) changed from approximately RMB350.0 million, RMB145.0 million and RMB212.3 million for the year ended 31 December 2024 to approximately RMB385.7 million, RMB238.3 million and RMB217.6 million for the year ended 31 December 2025, respectively. The fluctuation trend was in line with the financial performance of each of our business segments as described above.

Cost of sales

Our cost of sales mainly consists of cost of raw materials and inventories, staff costs, manufacturing overheads and depreciation and others. Cost of raw materials and inventories is our main cost of sales. Staff costs mainly consists of salaries, wages and social insurance costs for those employees directly involved in the production and the management team of the production plants.

Our cost of sales increased from approximately RMB3,470.9 million for the year ended 31 December 2024 to approximately RMB3,752.3 million for the year ended 31 December 2025. The increase in our cost of sales was mainly attributable to the increase in costs for iodine and the production of iodine derivatives, green products, ethylene oxide and monomeric polyether, which was partially offset by the decrease in raw material costs of methylamine, isooctanoic acid and diethyl sulfate due to the reduction in sales volume and unit cost of raw materials.

Gross profit and gross profit margin

The table below sets forth a breakdown of gross profit and gross profit margin by business segments during the year ended 31 December 2025:

Total gross profit by business segments

	For the year ended 31 December			
	2025		2024	
	Gross profit		Gross profit	
	RMB'000	%	RMB'000	%
Methylamine Industry Series	207,848	15.9%	176,525	13.0%
Iodine Derivatives and Supporting Products	59,167	4.7%	73,097	7.4%
Goldenhighway New Materials Advanced Materials	47,764	5.2%	68,491	7.7%
Intermediates Series	4,794	1.6%	29,973	7.9%
Green Products	32,085	11.4%	33,525	16.7%
Healthcare and Wellness	4,961	23.7%	6,146	25.8%
Happy Elephant Selections	1,767	37.0%	(11)	N/A
Others	2,481	14.6%	3,278	21.2%
Total	<u>360,867</u>	<u>8.8%</u>	<u>391,024</u>	<u>10.1%</u>

Our gross profit decreased from approximately RMB391.0 million for the year ended 31 December 2024 to approximately RMB360.9 million for the year ended 31 December 2025. Our overall gross profit margin decreased from approximately 10.1% for the year ended 31 December 2024 to approximately 8.8% for the year ended 31 December 2025.

The decrease in our gross profit and gross profit margin was mainly due to the decrease in the gross profit and gross profit margin of (i) Advanced Materials Intermediates Series segment, as a result of the decline in domestic demand and new production capacity entering the market as described above; (ii) Goldenhighway New Materials, as a result of the downward pricing trend of TDI and polymeric MDI leading to squeezing profit margin; and (iii) Green Products segment and Iodine Derivatives and Supporting Products segment, as a result of rapid increase in cost of raw materials outweighing the increase in their market prices.

Other income

Our other income primarily consists of one-off and unconditional subsidies from the relevant government authorities and interest income.

Our other income decreased from approximately RMB28.0 million for the year ended 31 December 2024 to RMB26.6 million for the year ended 31 December 2025. The decrease in our other income was mainly due to the decrease in (i) government grants from approximately RMB9.8 million to RMB6.1 million; and (ii) an additional value-added tax credit policy from approximately RMB15.2 million to RMB14.0 million.

Other gains and losses

Our other gains and losses primarily consists of (i) net foreign exchange gains or losses which primarily arose from appreciation or depreciation of US\$, Peso, Ruble and Hryvnia against RMB as the functional currency of our subsidiaries in the PRC is RMB while their export sales to customers and purchase from overseas suppliers were mainly settled in US\$; (ii) gains/losses on disposals of plant and equipment; and (iii) net gains or losses arising from fair value changes on derivative financial instruments and financial asset at FVTPL.

Our Group recorded net other losses of approximately RMB7.1 million for the year ended 31 December 2024 and net other gains of approximately RMB5.3 million for the year ended 31 December 2025. Such change in our net other gains and losses was mainly because of the increase in a net foreign exchange gain, i.e. a loss of approximately RMB7.4 million was recognised during the year ended 31 December 2024 as a result of depreciation of various currencies, such as Russian Ruble, Mexican Peso and Ukrainian Hryvnia against RMB, whereas a gain of approximately RMB7.7 million was recognised during the current year as a result of appreciation of various currencies, such as Russian Ruble and Mexican Peso against RMB.

Selling and distribution expenses

Our selling and distribution expenses primarily consist of transportation costs, staff remuneration for our sales and marketing team, port charges, storage costs, material costs for export and packaging materials and insurance costs.

Our selling and distribution expenses decreased from approximately RMB172.6 million for the year ended 31 December 2024 to approximately RMB147.3 million for the year ended 31 December 2025. The decrease in our selling and distribution expenses was primarily due to the decrease in logistic costs (including transportation, port charges and shipment costs), as driven by the decrease in sales volumes of several products such as methylamine and ethylene glycol.

Administrative expenses

Administrative expenses primarily consist of staff costs including salary, social insurance costs and provident funds for our staff (other than the staff who are directly involved in the production, the management team of the production plants and the sales and marketing team), entertainment expenses, travelling expenses, rent, depreciation and amortisation of leasehold improvements, office equipment and motor vehicle, safety costs, office expenses, repair expenses, and environmental protection costs in relation to implementation of safety and environmental protection measures and others.

Our administrative expenses decreased from approximately RMB137.8 million for the year ended 31 December 2024 to approximately RMB136.5 million for the year ended 31 December 2025. The slight decrease in our administrative expenses was primarily due to the decrease in consultancy fee of approximately RMB2.6 million as a reduction of expenses related to organising a mixed martial arts competition in Macau in last year, which is partially offset by the increase in staff costs derived from (i) new staff in Singapore; and (ii) share-based payment expense.

R&D expenses

R&D expenses primarily consist of raw materials consumed for conducting R&D activities, staff costs and social insurance costs for our R&D personnel, electricity expenses, depreciation of our research centre, hardware supplies and transportation cost of raw materials for conducting R&D.

R&D expenses consist of all costs that are directly attributable to our R&D activities. Because of the nature of our R&D activities which mainly aimed to develop production equipment and method for improving our own production efficiency, it is difficult to assess the probable future economic benefits in the research phase of a project and the criteria for recognition of such costs as an asset are not met. As such, our R&D costs are generally recognised as expenses in the period in which they are incurred.

Our R&D expenses increased from approximately RMB48.9 million for the year ended 31 December 2024 to approximately RMB57.1 million for the year ended 31 December 2025. The increase in our R&D expenses was primarily due to an increase in depreciation as a result of R&D of moxifloxacin hydrochloride side chain and ammonia sugar during the year.

Finance costs

Finance costs represent interests on bank and other borrowings and loans from related companies, discounted bills and lease liabilities.

Our finance costs was approximately RMB39.9 million for the year ended 31 December 2024 and approximately RMB36.3 million for the year ended 31 December 2025. No material fluctuation was noted during the year.

Income tax expenses

Our income tax expenses increased from a tax credit of approximately RMB0.3 million for the year ended 31 December 2024 to a tax expense of approximately RMB4.4 million for the year ended 31 December 2025. The increase in our income tax expense was mainly due to the increase in profit derived from our subsidiaries located in Vietnam, as well as unrecognised tax loss derived from other overseas subsidiaries.

Profit for the year

As a result of the foregoing, we recorded a profit for the year of approximately RMB13.4 million for the year ended 31 December 2025, comparing to a profit for the year of approximately RMB12.9 million for the year ended 31 December 2024, as a combined result of the above fluctuations.

PROSPECTS

In 2026, the escalating Middle East conflict is significantly impacting the chemical market. The closure of the Strait of Hormuz, a critical chokepoint for global energy and chemical transport, has triggered supply disruption fears and spiking prices.

This is creating starkly divergent outcomes for our products. For choline chloride, its key raw materials face severe price hikes. The Strait's closure may drive up our material costs. Nevertheless, our other products will see increased manufacturing and shipping expenses due to surging oil prices and war-risk insurance premiums.

Conversely, high oil prices enhance the cost-competitiveness of cardanol, a bio-based alternative to petrochemicals, accelerating its substitution in markets. Overall, the 2026 market is marked by extreme volatility and a “hot and cold” dynamic, where upstream energy-linked costs soar while downstream demand remains cautious.

Despite market uncertainties, the Group will maintain its strategic commitment, capitalizing on the steady advancement of its smart manufacturing facility to support capacity expansion efforts, while broadening its footprint in varied regional markets through tiered customer collaborations and customized offerings. This approach will fortify supply chain resilience, creating a robust platform for sustainable long-term value growth.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt balance, which includes the borrowings, lease liabilities and loans from related companies, net of cash and cash equivalents, and equity of the Group, comprising share capital, reserves, retained earnings and non-controlling interests.

The management of the Group reviews the capital structure on an on-going annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt.

During the year, the Group’s working capital was financed by internal resources and borrowings.

As at 31 December 2025, the Group's total assets and bank balances and cash amounted to approximately RMB2,068.2 million (2024: RMB2,046.5 million) and RMB115.8 million (2024: RMB101.5 million), respectively. The bank balances and cash were mainly denominated in RMB and US\$.

As at 31 December 2025, the borrowings (including loans from related companies) were approximately RMB810.4 million (2024: RMB852.2 million). As at 31 December 2025, borrowings amounting to approximately RMB810.4 million (2024: RMB816.0 million) are carried at fixed interest rates ranging from 2.4% to 7.2% (2024: from 3% to 4.5%) per annum and repayable from 2026 to 2050 (2024: from 2025 to 2050). As at 31 December 2024, borrowings amounting to approximately RMB36.2 million are carried at variable interest rates ranging from 3.5% to 6.5% per annum and repayable in 2025.

The gearing ratio of the Group, which was calculated by dividing the total external borrowings by total equity as at the end of the year and multiplied by 100%, is 127.5 % (2024: 137.1%). The decrease in gearing ratio of the Group was mainly due to the decrease in borrowing as at 31 December 2025.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group's financial condition, results of operations, businesses and prospects would be affected by a number of risks and uncertainties including market risk (currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risk or the manner in which it manages and measure the risks.

Currency risk

Certain financial instruments are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

The Group is exposed to fair value interest rate risk for certain financial assets, financial liabilities and lease liabilities, which carried interests at fixed interest rates.

The Group is also exposed to cash flow interest rate risk for its interest bearing financial liabilities and certain of its interest bearing financial assets, which carried interests at variable interest rates.

The Group currently does not have an interest rate hedging policy. The management monitors interest rate risk exposure and will consider hedging significant interest rate exposure should the need arises. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

Credit Risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge the obligations by counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of the reporting period.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group performs impairment assessment under expected credit loss ("ECL") model on trade receivables. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has applied the simplified approach to measure the loss allowance on trade receivables at lifetime ECL.

The credit risk on bill receivables at fair value through other comprehensive income are limited as those bills are issued by banks with high credit ratings assigned by international credit-rating agencies and no history of default in the past, thus no loss allowance provision for bills was recognised during the year.

For other receivables, rental deposits, amount due from an associate and amount due from a non-controlling shareholder, management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of these receivables based on historical settlement records, past experience and also available and supportive forward-looking information. The management of the Group believes that the credit risk inherent in the Group's outstanding balances of other receivables, rental deposits, amount due from an associate and amount due from a non-controlling shareholder is insignificant.

The Group has concentration of credit risk on cash and cash equivalents and restricted bank deposits which are deposited with several banks. However, the credit risk on cash and cash equivalents and restricted bank deposits is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies, and expected credit loss is insignificant.

The credit risk on loan receivable is limited because the counterparty is a state-owned entity with high reputation. The management is of the opinion that the average loss rate is insignificant, thus no loss allowance provision is recognised.

The Group has no significant concentration of credit risk on trade and bill receivables at fair value through profit or loss and other receivables, with exposure spread over a large number of counterparties and customers.

Liquidity Risk

Liquidity risk is the risk of non-availability of funds to meet all contractual financial commitments as they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

TREASURY POLICIES

The Group has adopted a prudent treasury policy and thus maintained a healthy liquidity position throughout the year. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FOREIGN EXCHANGE EXPOSURE

The Group's foreign currency transactions are mainly denominated in RMB and US\$. The Group has currency exposure as certain income and expenses incurred in mainland China were denominated in RMB and certain overseas sales income were denominated in US\$ and other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in RMB. During the year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During the year, the Group's capital expenditures consisted of additions to property, plant and equipment and construction in progress in our operations amounting to approximately RMB139.4 million (2024: RMB121.8 million).

CAPITAL COMMITMENT

As at 31 December 2025, the Group had a capital commitment of approximately RMB12.0 million (2024: RMB17.9 million). The capital commitments primarily relates to the purchase of machinery and equipment in mainland China for existing usage. We intend to fund these commitments with cash generated from our operations and borrowings.

PLEDGE OF ASSETS

As at 31 December 2025, save as (i) restricted bank deposits of approximately RMB51.1 million (2024: RMB33.9 million); (ii) right-of-use assets and property, plant and equipment of approximately RMB61.5 million and RMB304.3 million, respectively (2024: right-of-use assets and property, plant and equipment of approximately RMB64.4 million and RMB330.3 million respectively); (iii) bill receivables at fair value through other comprehensive income of approximately RMB65.4 million (2024: RMB102.4 million); (iv) cash and cash equivalents of approximately RMB1.8 million (2024: RMB1.3 million); (v) inventories of approximately RMB12.4 million (2024: RMB14.2 million); and (vi) trade receivables and other receivables and prepayments of approximately RMB1.8 million (2024: RMB4.6 million) to secure the borrowings, the Group did not pledge any other assets.

CONTINGENT LIABILITIES

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

DIVIDEND

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 1,109 (2024: 1,120) employees, including the Directors. Total staff costs (including Directors' remuneration) was approximately RMB148.2 million (2024: RMB141.5 million) for the year ended 31 December 2025.

Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of the basic salaries, bonuses may be paid by reference to the Group's performance as well as the individual's performance. Other major staff benefits include contributions to defined contribution retirement benefit plan, Hong Kong's Mandatory Provident Fund Scheme and the state-managed retirement benefit schemes.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 16 December 2019 where options to subscribe for Shares may be granted to the Directors and employees of the Group.

The Company adopted a share award plan (the "**Share Award Plan**") on 1 March 2023 (the "**Adoption Date**"). Please refer to the announcement of the Company dated 1 March 2023 for details.

SIGNIFICANT INVESTMENTS

During the year ended 31 December 2025, the Group did not hold any significant investment or capital assets (2024: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL EXPENDITURES

The Group did not have any plans for material investments or capital assets in the coming year.

The Group will finance the future acquisitions through internally generated funds and other fund-raising activities, including but not limited to issue of new debts or equity instruments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group has not acquired nor disposed of any of its subsidiaries during the year ended 31 December 2025.

EVENTS AFTER REPORTING PERIOD

The Group did not have any significant events after the reporting period.

AUDIT COMMITTEE AND REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Company established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process, risk management and internal controls systems, including, among others, material risks relating to environmental, social and governance, of the Group. The Audit Committee comprises three Independent Non-executive Directors, namely Ms. Zheng Qing (chairlady), Mr. Sun Hongbin and Mr. Wang Guangji.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed the auditing, internal control and risk management and financial reporting matters, including review of the audited consolidated financial statements of the Group for the year ended 31 December 2025 with the management and the Company's external auditor, ZHONGHUI ANDA CPA Limited.

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 the annual results 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 and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the annual results announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors had interests in business which competes or may compete with the Group's business.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding the dealings in securities of the Company by the Directors during the year ended 31 December 2025. Having made specific enquiry of all Directors, each Director has confirmed that he/she has complied with the required standard set out in the Model Code during the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions (the “**Code Provisions**”) as set out in the Corporate Governance Code (the “**CG Code**”) in Appendix C1 to the Listing Rules during the year ended 31 December 2025. During the year ended 31 December 2025, the Company has complied with all the Code Provisions of the CG Code, save and except for the code provision C.2.1. Details of the deviation from the Code Provision C.2.1 are explained in the section “Chairman and Chief Executive Officer” below. The Board is committed to complying with the principles of the CG Code contained in the Appendix C1 to the Listing Rules. The Company is committed to achieving and maintaining high standards of corporate governance consistent with the needs and requirements of its business and the Shareholders. The corporate governance principles of the Company emphasise a quality board, sound internal controls, and transparency and accountability to all the Shareholders. The Board will continue to review and enhance its corporate governance practice to ensure compliance with the CG Code, and make necessary changes as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the CG Code, the roles of the Chairman of the Board and chief executive officer of the Company should be separated and should not be performed by the same individual. During the year ended 31 December 2025, the Company has not separated the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Yin Yanbin is the Chairman of the Board and also the Chief Executive Officer of the Company who is responsible for overseeing the operations of the Group during year. The Board believes that vesting the roles of both the Chairman of the Board and the Chief Executive Officer of the Company in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies. The Board shall nevertheless review the structure from time to time to ensure appropriate move is being taken should suitable circumstances arise.

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) of the Company will be held on Tuesday, 12 May 2026, the notice of which shall be sent to the Shareholders in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the AGM scheduled to be held on Tuesday, 12 May 2026, the register of members of the Company will be closed from Thursday, 7 May 2026 to Tuesday, 12 May 2026, both days inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 6 May 2026 (Hong Kong time).

COMMUNICATION WITH SHAREHOLDERS

The Board recognised the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognised that effective communication with the Company's investors is critical in establishing investor confidence and to attract new investors. Therefore, the Shareholders' Communication Policy of the Company is committed to maintaining a high degree of transparency to ensure the Shareholders and the investors of the Company will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the website of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company at www.goldenhighway.com.

By order of the Board

GHW International

Yin Yanbin

Chairman and Chief Executive Officer

Hong Kong, 30 March 2026

As at the date of this announcement, the Board comprises Mr. Yin Yanbin, Mr. Zhuang Zhaohui, Mr. Chen Zhaohui, Mr. Zhou Chunnian, Mr. Chen Hua and Mr. Diao Cheng as executive Directors, and Mr. Sun Hongbin, Mr. Wang Guangji and Ms. Zheng Qing as independent non-executive Directors