GHW International

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9933)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- For the six months ended 30 June 2026, revenue of the Group amounted to approximately RMB2,232.8 million, representing an increase of approximately RMB376.1 million or 20.3% comparing with the corresponding period in 2025.
- For the six months ended 30 June 2026, gross profit of the Group amounted to approximately RMB249.5 million, representing an increase of approximately RMB79.0 million or 46.3% comparing with the corresponding period in 2025.
- For the six months ended 30 June 2026, net profit of the Group amounted to approximately RMB31.7 million, representing an increase of approximately RMB23.9 million or 302.9% comparing with the corresponding period in 2025.
- For the six months ended 30 June 2026, basic earnings per share of the Group amounted to approximately RMB0.031, representing an increase of approximately RMB0.024 or 342.9% comparing with the corresponding period in 2025.
- The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2026.

The board (the "**Board**") of directors (the "**Director(s)**") of GHW International (the "**Company**") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the six months ended 30 June 2025 as follows.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**Six months ended 30 June** **2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Revenue	4	**2,232,802**	1,856,712
Cost of sales		**(1,983,341)**	(1,686,249)
Gross profit		**249,461**	170,463
Other income	5	**10,807**	12,315
Other gains and losses	5	**(15,051)**	8,905
Impairment losses (recognised)/reversal under expected credit loss model, net of reversal		**(160)**	2,356
Selling and distribution expenses		**(87,294)**	(72,324)
Administrative expenses		**(69,957)**	(65,490)
Research and development expenses		**(26,042)**	(25,973)
Finance costs		**(17,064)**	(19,639)
Share of results of associates		**(6)**	—
Profit before taxation	6	**44,694**	10,613
Taxation	7	**(12,959)**	(2,736)
Profit for the period		**31,735**	7,877

	Notes	Six months ended 30 June **2026** **RMB'000** **(Unaudited)**	 2025 RMB'000 (Unaudited)
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**1,384**	2,207
Fair value loss on bill receivables at fair value through other comprehensive income ("**FVTOCI**")		**(19)**	(103)
Income tax relating to an item that may be reclassified subsequently to profit or loss		**3**	15
Other comprehensive income for the period, net of income tax		**1,368**	2,119
Total comprehensive income for the period		**33,103**	9,996
Profit for the period attributable to:			
Owners of the Company		**29,389**	7,036
Non-controlling interests		**2,346**	841
		31,735	7,877
Total comprehensive income attributable to:			
Owners of the Company		**30,757**	9,155
Non-controlling interests		**2,346**	841
		33,103	9,996
Earnings per share for profit attributable to owners of the Company			
– Basic (RMB per share)	9	**0.031**	0.007
– Diluted (RMB per share)	9	**0.031**	0.007

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	As at **30 June 2026** **RMB'000** **(Unaudited)**	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**848,648**	852,635
Right-of-use assets		**69,597**	72,888
Interest in associates		**1,615**	1,653
Rental deposits		**1,141**	1,177
Deferred tax assets		**7,287**	9,110
Deposits for acquisition of land use right		**8,000**	10,000
		936,288	947,463
Current assets			
Inventories		**503,418**	395,567
Trade receivables	10	**275,467**	297,237
Bill receivables at FVTOCI	11	**93,780**	89,867
Other receivables and prepayments		**162,807**	150,494
Tax recoverable		**654**	1,052
Financial assets at fair value through profit or loss ("**FVTPL**")		**108**	508
Amount due from an associate		**18,425**	18,982
Restricted bank deposits		**40,739**	51,147
Cash and cash equivalents		**136,747**	115,844
		1,232,145	1,120,698

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Current liabilities			
Trade and bill payables	12	**419,121**	433,355
Other payables and accrued charges		**100,300**	89,959
Amount due to an associate		**1,554**	1,596
Lease liabilities		**4,831**	5,443
Contract liabilities		**55,674**	60,637
Tax liabilities		**3,120**	3,363
Borrowings		**618,126**	609,113
		1,202,726	1,203,466
Net current assets/(liabilities)		**29,419**	(82,768)
Total assets less current liabilities		**965,707**	864,695
Non-current liabilities			
Borrowings		**190,950**	128,141
Loans from related companies		**74,800**	73,150
Lease liabilities		**4,319**	6,049
Deferred tax liabilities		**29,377**	21,665
		299,446	229,005
Net assets		**666,261**	635,690
Capital and reserves			
Share capital	13	**8,930**	8,930
Reserves		**618,486**	590,261
Equity attributable to owners of the Company		**627,416**	599,191
Non-controlling interests		**38,845**	36,499
Total equity		**666,261**	635,690

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL

The Company 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 ("**Shares**") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 21 January 2020. The controlling shareholders of the Company 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.

2. BASIS OF PREPARATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (**"IASB"**) as well as with the applicable disclosure requirements of Appendix D2 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange.

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

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than the change in accounting policies resulting from application of amendments to IFRS Accounting Standards, agenda decisions of the IFRS Interpretations Committee (the **"Committee"**) of the IASB, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

In the current interim period, the Group has applied the amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements.

The application of the amendments to IFRS Accounting Standards and the Committee's agenda decisions in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from manufacture and sale of chemical and pharmaceutical products for both periods.

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of goods		
Methylamine Industry Series	**791,673**	600,981
Iodine Derivatives and Supporting Products	**565,688**	588,339
Goldenhighway New Materials	**461,840**	399,090
Advanced Materials Intermediates Series	**245,308**	132,537
Green Products	**148,936**	111,485
Happy Elephant Selections	**7,877**	978
Healthcare and Wellness	**4,018**	15,001
Others	**7,462**	8,301
	2,232,802	1,856,712
Timing of revenue recognition		
A point in time	**2,232,802**	1,856,712

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 are 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 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, 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.

	Revenue from external customers Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The mainland of China	**1,661,069**	1,418,926
Europe	**191,980**	183,474
Other countries in Asia (excluding the mainland of China and Vietnam)	**147,978**	95,906
Vietnam	**138,614**	85,828
Others	**93,161**	72,578
	2,232,802	1,856,712

Information about major customers

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

5. OTHER INCOME AND OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants (note i)	**1,966**	2,560
Value-added tax ("**VAT**") additional deduction benefits (note ii)	**5,493**	7,452
Bank interest income	**790**	600
Interest income on loan receivable	**—**	297
Others	**2,558**	1,406
	10,807	12,315
Other gains and losses		
Net exchange (losses)/gains	**(8,826)**	9,427
Losses on disposals of plant and equipment	**(5,374)**	(1,090)
Impairment loss on property, plant and equipment	**(1,250)**	—
Fair value changes on financial assets at FVTPL	**14**	(8)
Fair value changes on derivative financial instruments		
– commodity derivative contracts (note iii)	**(66)**	3
– foreign currency future contracts (note iii)	**—**	(82)
Others	**451**	655
	(15,051)	8,905

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 period 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 amounted to approximately RMB5,493,000 (2025: RMB7,452,000) for the period.

(iii) During the six months ended 30 June 2026, amounts represented realised losses of RMB66,000 (2025: nil) and unrealised gains of nil (2025: RMB3,000) arising on changes in fair value of commodity derivative contracts, and realised losses of nil (2025: RMB84,000) and unrealised gains of nil (2025: RMB2,000) arising on changes in fair value of foreign currency future contracts.

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2026	**2025**
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before taxation has been arrived at after charging/(crediting) to profit and loss:		
Cost of inventories recognised as expenses	**1,983,341**	1,686,256
Depreciation of property, plant and equipment	**49,497**	42,953
Depreciation of right-of-use assets	**3,451**	3,326
Total depreciation	**52,948**	46,279
Capitalised as cost of inventories manufactured	**(41,331)**	(35,628)
	11,617	10,651
Recognised/(reversal of) write-down of inventories, net of reversal	**1,818**	(7)

7. TAXATION

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax	**3,444**	4,311
Underprovision in prior years	**260**	9
	3,704	4,320
Deferred tax		
Current period	**9,255**	(1,584)
Total	**12,959**	2,736

8. DIVIDEND

No dividend was paid or declared by the Company for the six months ended 30 June 2026 and 2025.

9. 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:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Earnings for the purposes of calculating basic earnings per share attributable to owners of the Company	**29,389**	7,036

	Six months ended 30 June	
	2026	2025
	‘000	‘000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**944,768**	944,320
Effect of dilutive potential ordinary shares:		
Share awards	**362**	224
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**945,130**	944,544

10. TRADE RECEIVABLES

	As at	
	30 June	31 December
	2026	2025
	RMB’000	RMB’000
	(Unaudited)	(Audited)
Trade receivables	**278,348**	300,022
Less: allowance for credit losses	**(2,881)**	(2,785)
	275,467	297,237

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:

	As at	
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0-30 days	**171,698**	219,816
31-60 days	**77,773**	56,330
61-90 days	**15,856**	14,471
Over 90 days	**10,140**	6,620
	275,467	297,237

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 30 June 2026, carrying amount of trade receivables amounted to RMB5,969,000 (31 December 2025: RMB1,633,000) have been pledged as security for the Group's borrowing.

The Group does not hold any collateral over these balances.

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Recognised/(reversal of) impairment loss in respect of trade receivables	**160**	(2,356)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

During the six months ended 30 June 2026, the Group provided impairment allowance of RMB294,000 (2025: RMB136,000). In particular a specific loss allowance of RMB294,000 (2025: RMB136,000) has been made to individual debtors because the debtors are in severe financial difficulty and there is no realistic prospect of recovery.

During the six months ended 30 June 2026, the Group reversed the impairment allowance of RMB134,000 (2025: RMB2,492,000).

11. BILL RECEIVABLES AT FVTOCI

	As at	
	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Bill receivables at FVTOCI	**93,780**	89,867

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:

	As at	
	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0-180 days	**93,780**	89,867

As at 30 June 2026, the Group has pledged bill receivables at FVTOCI with a total net book value of RMB78,276,000 (31 December 2025: RMB65,398,000) to secure general banking facilities and suppliers payments granted to the Group.

12. TRADE AND BILL PAYABLES

	As at	
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade payables	**381,888**	396,103
Bill payables (note)	**37,233**	37,252
	419,121	433,355

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 payables as the Group is 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 condensed 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:

	As at	
	30 June	31 December
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0-180 days	**37,233**	37,252

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:

	As at	
	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
0-30 days	**155,125**	157,794
31-60 days	**89,866**	123,651
61-90 days	**66,052**	63,288
Over 90 days	**70,845**	51,370
	381,888	396,103

13. SHARE CAPITAL

	Number of Shares	Amount
		HK$
Ordinary shares of HK$0.01 each		
Authorised		
At 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	10,000,000,000	100,000,000
Issued and fully paid		
At 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	1,009,500,000	10,095,000

	RMB'000
Presented as at 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	8,930

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The 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.

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, oleochemicals and ethlyene oxide 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, whereas ethlyene oxide is used as the raw material in the production of choline chloride and is used in chemical synthesis, sterilization and as an industrial additive. 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. We started to trade isooctanol in October 2025. Isooctanol is a raw material in the production of isooctanoic acid and its downstream customers are DOP and DOTP plasticisers.

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 2025.

The Iodine Derivatives and Supporting Products segment primarily consists of organic and inorganic iodine derivatives, as well as iodine.

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

In the first half of 2026, the chemical intermediates market in the mainland China experienced a notable recovery, spurred by supply-side optimization, capacity rationalization, and a rebound in downstream demand. Specific products saw generally strong prices and tight supply, influenced by geopolitical disruptions and concentrated plant maintenance, though this was partly offset by high domestic capacity in some segments. Overall, the Chinese market showed signs of fundamental improvement, with a sentiment of recovery overshadowing previous weakness.

The choline chloride market in 2026 is shaped by a combination of geopolitical supply shocks and trade policy interventions. Following the effective closure of the Strait of Hormuz since early 2026, approximately 15-20% of global petrochemical feedstocks have been removed from the market, driving up raw material costs for choline chloride production. This has been compounded by the European Commission applying definitive anti-dumping duties on choline chloride imports in February 2026, aiming to shield domestic producers from low-cost Asian competition. On the supply side, upstream core raw materials like trimethylamine and ethylene oxide have experienced price increment. Despite these upstream pressures and trade policy interventions, the choline chloride and betaine market overall remained relatively stable in early 2026, with a consistent production rate of choline chloride and betaine manufacturers, as well as the continuous demand from livestock manufacturers.

The polymeric MDI market experienced significant supply disruptions and regional divergence. Two MDI plants in the Middle East have been offline since March 2026, disrupting local export logistics and creating supply gaps in neighboring markets. Force majeure on MDI productions and scheduled maintenance announced by substantial polymeric MDI manufacturers triggered a flurry of price increase announcements. These incidents provided an opportunity for us to strive for higher profit margin on our trading business.

The iodine and iodine derivatives market in the first half of 2026 faced significant cost-driven inflationary pressures. Rising production expenses and elevated energy prices pressured manufacturers across major economies during the first quarter of 2026. The Asia-Pacific region remains the world's foremost consumption hub. Regional supply remains extraordinarily concentrated, with Japan producing more than 80% of regional output. Although the global iodine derivatives market is estimated to have a projected CAGR of more than 5% through 2035, the market faces uncertainty from the Middle East conflict, which has triggered volatility in global trade flows and shipping costs. Pharmaceutical demand for diagnostic imaging and radiopharmaceuticals remains a key support factor. The healthcare sector's resilient demand is expected to keep prices firm through 2026.

During the six months ended 30 June 2026, our Group recorded a revenue of approximately RMB2,232.8 million (2025: RMB1,856.7 million), representing an increase of 20.3% as compared to the corresponding period last year. Profit for the period significantly increased by 302.9% from approximately RMB7.9 million for the six months ended 30 June 2025 to approximately RMB31.7 million for the six months ended 30 June 2026. The increase in revenue for the period was primarily attributed to the increase in revenue from various segments, such as Methylamine Industry Series, Goldenhighway New Materials and Advanced Materials Intermediates Series, where:

– Revenue from the Methylamine Industry Series segment increased by 31.7% from RMB601.0 million to RMB791.7 million. Such increase was primarily attributable to the expansion in the market share of our different products in this segment.

– Revenue from the Goldenhighway New Materials segment increased by 15.7% from RMB399.1 million to RMB461.8 million. Such increase was primarily attributable to revenue contributed by our new trading products such as ethylene oxide and monomeric polyether, as well as the increasing sales volume of polymeric MDI.

– Revenue from the Advanced Materials Intermediates Series segment increased by 85.1% from RMB132.5 million to RMB245.3 million. Such increase was primarily attributable to both revenue contributed by our new trading products isooctanol since October 2025 and increase in sales volume of isooctanoic acid as a result of the resumption of Group's full production capacity during the period.

The increase in profit for the period was primarily attributable to the increase in gross profit by 46.3% from approximately RMB170.5 million to RMB249.5 million mainly derived from the strong performance in our Methylamine Industry Series products, in particular choline chloride and betaine, as well as Goldenhighway New Materials products, in particular polymeric MDI. The improvement was mainly driven by higher average selling prices of these products and our successful procurement strategies for trading products, which are further explained below. The increase in net profit was partially offset by (i) other loss of approximately RMB8.8 million (2025: other gain of RMB9.4 million) resulting from the decrease in net exchange gain as a result of the depreciation of various foreign currencies, such as United States dollar ("**US$**"), against Renminbi ("**RMB**") during the current period; (ii) an increase in selling expenses due to the increase in logistic costs (including transportation, port charges and shipment costs), as driven by the increase in sales volumes of several products; and (iii) an increase in income tax expense from approximately RMB2.7 million to RMB13.0 million, which was in line with the increase in profit generated for the period.

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 six months ended 30 June 2026:

Total revenue by business segments

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Methylamine Industry Series	**791,673**	**35.5%**	600,981	32.4%
Iodine Derivatives and Supporting Products	**565,688**	**25.3%**	588,339	31.7%
Goldenhighway New Materials	**461,840**	**20.7%**	399,090	21.5%
Advanced Materials Intermediates Series	**245,308**	**11.0%**	132,537	7.1%
Green Products	**148,936**	**6.7%**	111,485	6.0%
Happy Elephant Selections	**7,877**	**0.3%**	978	0.1%
Healthcare and Wellness	**4,018**	**0.2%**	15,001	0.8%
Sub-total	**2,225,340**	**99.7%**	1,848,411	99.6%
Others (note)	**7,462**	**0.3%**	8,301	0.4%
Total	**2,232,802**	**100.0%**	1,856,712	100.0%

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Self-manufactured chemicals	**1,593,490**	**71.4%**	1,409,518	75.9%
Chemicals produced by third parties	**631,850**	**28.3%**	438,893	23.7%
Sub-total	**2,225,340**	**99.7%**	1,848,411	99.6%
Others (note)	**7,462**	**0.3%**	8,301	0.4%
Total	**2,232,802**	**100.0%**	1,856,712	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 increased by 31.7% from approximately RMB601.0 million for the six months ended 30 June 2025 to approximately RMB791.7 million for the six months ended 30 June 2026. Such increase was primarily attributable to both the increasing sales volumes, market prices and profit margin of choline chloride and betaine during the period.

The sales volume of choline chloride and betaine increased by approximately 8% and 17%, 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, during 2025, there were an upgrade of production equipment of methylamine, leading to reduction in days of operation of the production line in the corresponding period last year. The production facilities had resumed to normal during the current period, leading to an increase in sales volume of methylamine by approximately 212%.

On the other hand, the average selling prices of choline chloride and betaine increased by approximately 8% and 18%, respectively, as a result of warfare in the Middle East leading to the increase raw material costs of production. We are able to transfer the additional costs to our customers, leading to an increase in both revenue and gross profit of the above products.

Iodine Derivatives and Supporting Products

The revenue from this segment decreased by 4% from approximately RMB588.3 million for the six months ended 30 June 2025 to approximately RMB565.7 million for the six months ended 30 June 2026, primarily because of a partial shift from trading to sub-processing model, as requested by one of our largest downstream customers, which was partially offset by the increase in sales volume of iodine during the period.

The sales volume of trading iodine derivatives decreased by approximately 15%, mainly due to a portion of iodine salt trading shifting to sub-processing sales at the request of customers.

The sales volume of sub-processing iodine derivatives increased by approximately 120 tonnes, due to a partial shift from trading to sub-processing model. The increase in sub-processing iodine derivatives sales volume matched the decrease in sales volume of trading iodine derivatives. Its average selling price slightly increased by approximately 5%, driven by our increasing material cost of production, which was partially transferred to our customer.

The sales volume of iodine significantly increased by approximately 43%, driven by increased market share, higher market occupancy and greater sales volume. The average selling price of iodine slightly dropped by approximately 1%, driven by the depreciation of US$ against RMB during the current period.

Goldenhighway New Materials

The revenue from Goldenhighway New Materials segment, with resins, ethylene oxide, monomeric polyether, polymeric MDI, TDI and polymer polyethers as the major products, increased by 16% from approximately RMB399.1 million for the six months ended 30 June 2025 to approximately RMB461.8 million for the six months ended 30 June 2026. The increase in revenue mainly derived from the increase in sales volume of new products such as ethylene oxide and polyether monomer, as well as the increase sales volume of polymeric MDI, which was partially offset by the decreasing sales volume of ethylene glycol.

We started to trade ethylene oxide and monomeric polyether during 2025. Ethylene oxide is a raw material in the production of choline chloride and 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 raw materials in the production of polymer polyethers and are critical in the automotive industry for producing flexible and rigid polyurethane (PU) foams, coatings, and specialized elastomers. The sales volume of ethylene oxide and monomeric polyethers increased by approximately 5,277 tonnes and 2,376 tonnes, respectively. These products also contributed a reasonable gross profit to our Group.

The sales volume of polymer MDI increased by approximately 22%, primarily because of the Group's procurement strategy to maintain a sufficient level of inventory at the end of last year, and released the stock to the market during the first quarter of 2026, when the market supply was not stable as a result of warfare in the Middle East. Such trading strategy also helped increasing the gross profit of the product during the period.

A drop in sales volume was noted in ethylene glycol by approximately 72% as its market price during the first half of 2026 was highly volatile due to the Strait of Hormuz disruption, leading to the reduction of our trading for this product. The management will closely monitor the price trend of the product and consider resuming the trading market when it fits.

Advanced Materials Intermediates Series

The revenue from isooctanol, isooctanoic acid and diethyl sulfate in this segment increased from approximately RMB132.5 million for the six months ended 30 June 2025 to approximately RMB245.3 million for the six months ended 30 June 2026. Such increase was due to (i) the introduction of isooctanol, a new trading product of our Group, during the period, and (ii) an increase in sales volume of isooctanoic acid as a result of resumption of production from a one-month malfunction in the Group's reactor equipment requiring maintenance in the first half of 2025.

We started to trade isooctanol in October 2025. Isooctanol is a raw material in the production of isooctanoic acid and its downstream customers are DOP and DOTP plasticisers. The sales volume of isooctanol increased by approximately 8,782 tonnes. However, the gross profit attributable to this product is minimal during the period due to the keen market competition.

The sales volume of isooctanoic acid and diethyl sulfate increased by approximately 28% and 30%, respectively, mainly due to the resumption of Group's full production capacity during the period. Besides, we had explored more sales channels of diethyl sulfate in overseas, leading to increase in sales volume.

The average selling prices of isooctanoic acid and diethyl sulfate increased by approximately 7% and 11%, respectively, as a result of increasing raw material costs of these two products.

Green Products

The revenue of cardanol significantly increased by 34% from approximately RMB111.5 million for the six months ended 30 June 2025 to approximately RMB148.9 million for the six months ended 30 June 2026, primarily because of the increased sales volume as a result of the increased production capacity as well as the market demand.

In the past few years, the Group actively explored new geographic markets. Despite both increase in the sales volume and the market price, the gross profit attributable to cardanol was decreased as we are still fine-tuning our production manufacturing technology, leading to additional cost of production over the increase in average selling price.

Happy Elephant Selections

During the period, the Group sold supplements, such as vitamin tablets and ammonia sugar. The Group also engaged in the organisation of sports events to promote our brand. The segment contribution increased significantly with a revenue of RMB7.9 million, mainly driven by the increase of sales volume in supplements. During the period, the Group kept seeking collaborative product selection with third party customers, conducted promotion and marketing through tournament platforms, contestants and clubs.

Healthcare and Wellness

The revenue from this segment decreased by 73% from approximately RMB15.0 million for the six months ended 30 June 2025 to approximately RMB4.0 million six months ended 30 June 2026. The decrease in revenue and gross profit was primarily attributable to the relocation of our supplier's factory for cefpodoxime proxetil dispersible tablets, leading to suspension of sales since April 2026.

The table below sets forth our total sales in terms of geographical locations of our customers during the six months ended 30 June 2026:

Total revenue by geographical locations

	For the six months ended 30 June			
	2026		2025	
	RMB'000	**% of total revenue**	RMB'000	% of total revenue
Mainland China	**1,661,069**	**74.4%**	1,418,926	76.4%
Europe	**191,980**	**8.6%**	183,474	9.9%
Other countries in Asia (excluding mainland China and Vietnam)	**147,978**	**6.6%**	95,906	5.2%
Vietnam	**138,614**	**6.2%**	85,828	4.6%
Others	**93,161**	**4.2%**	72,578	3.9%
Total	**2,232,802**	**100.0%**	1,856,712	100.0%

Our revenue derived from mainland China contributed approximately 76.4% and 74.4% of our total revenue for the six months ended 30 June 2025 and 2026, respectively. Given that the revenue derived from mainland China constitutes a substantial portion of our total revenue, the fluctuations in revenue of sales in mainland China for our business segments were in line with the fluctuations in the overall revenue of each of these segments.

Our revenue derived from Europe, Asia (excluding mainland China and Vietnam) and Vietnam changed from approximately RMB183.5 million, RMB95.9 million and RMB85.8 million for the six months ended 30 June 2025 to approximately RMB192.0 million, RMB148.0 million and RMB138.6 million for the six months ended 30 June 2026, 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 comprises mainly cost of raw materials and inventories, staff costs, manufacturing overheads, depreciation and others. Cost of raw materials and inventories is our main cost of sales. Staff costs mainly comprise salaries, wages and social insurance costs for those who are directly involved in the production and the management team of the production plants.

Our cost of sales increased from approximately RMB1,686.2 million for the six months ended 30 June 2025 to approximately RMB1,983.3 million for the six months ended 30 June 2026. The increase in our cost of sales was mainly attributable to the increase in costs for Methylamine Industry Series, Goldenhighway New Materials and Advanced Materials Intermediates Series, which was partially offset by the decrease in raw material costs in the production of iodine derivatives due to the reduction in sales volume of trading iodine derivatives.

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 six months ended 30 June 2026:

Total gross profit by business segments

	For the six months ended 30 June			
	2026		2025	
	Gross profit		Gross profit	
	RMB'000	**margin %**	RMB'000	margin %
Methylamine Industry Series	**151,354**	**19.1%**	93,800	15.6%
Iodine Derivatives and Supporting Products	**28,919**	**5.1%**	27,020	4.6%
Goldenhighway New Materials	**44,590**	**9.7%**	26,639	6.7%
Advanced Materials Intermediates Series	**12,539**	**5.1%**	4,294	3.2%
Green Products	**6,649**	**4.5%**	12,803	11.5%
Happy Elephant Selections	**3,256**	**41.3%**	480	49.1%
Healthcare and Wellness	**853**	**21.2%**	4,299	28.7%
Others	**1,301**	**17.4%**	1,128	13.6%
Total	**249,461**	**11.2%**	170,463	9.2%

Our gross profit increased from approximately RMB170.5 million for the six months ended 30 June 2025 to approximately RMB249.5 million for the six months ended 30 June 2026. Our overall gross profit margin increased from 9.2% for the six months ended 30 June 2025 to approximately 11.2% for the six months ended 30 June 2026.

The increase in our gross profit and gross profit margin was mainly due to the increase in the gross profit and gross profit margin of Methylamine Industry Series and Goldenhighway New Materials segment, especially choline chloride, betaine and polymeric MDI as a result of the increase in market prices as a result of warfare in the Middle East, which outweighed the increase in cost of raw materials.

Other income

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

Our other income decreased from approximately RMB12.3 million for the six months ended 30 June 2025 to approximately RMB10.8 million for the six months ended 30 June 2026. The decrease in our other income was mainly due to (i) a decrease in income derived from an additional value-added tax credit policy to approximately RMB5.5 million in the current period (2025: RMB7.5 million) and (ii) decrease in other government grants from approximately RMB2.6 million to RMB2.0 million.

Other gains and losses

Our other gains and losses primarily comprise (i) net foreign exchange gains or losses which primarily arose from appreciation or depreciation of US$, Russian Ruble, Mexican Peso and Ukrainian Hryvnia against RMB as the functional currency of our subsidiaries in the mainland China is RMB while their export sale to customers and purchase from overseas suppliers were mainly settled in other currencies; (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 fair value through profit or loss ("**FVTPL**").

Our Group recorded net other gains of approximately RMB8.9 million for the six months ended 30 June 2025 and net other losses of approximately RMB15.1 million for the six months ended 30 June 2026. Such increase in loss in our net other gains and losses was mainly because of (i) the net foreign exchange loss of approximately RMB8.8 million (2025: other gain of RMB9.4 million), as a result of the depreciation of various currencies, such as US$ against RMB during the period, comparing to the appreciation of Russian Ruble and Mexican Peso against RMB during the corresponding period last year; and (ii) increase in loss on disposals of plant and equipment from RMB1.1 million in 2025 to RMB5.4 million in the current period due to technical updates on several production lines.

Selling and distribution expenses

Our selling and distribution expenses primarily comprise 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 increased from approximately RMB72.3 million for the six months ended 30 June 2025 to approximately RMB87.3 million for the six months ended 30 June 2026. The increase in our selling and distribution expenses was primarily due to the increase in logistic costs (including transportation, port charges and shipment costs), as driven by the increase in sales volumes of several products such as choline chloride, methylamine, ethylene oxide and isooctanol.

Administrative expenses

Administrative expenses primarily comprise 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 slightly increased from approximately RMB65.5 million for the six months ended 30 June 2025 to approximately RMB70.0 million for the six months ended 30 June 2026. The slight increase in our administrative expenses was primarily due to the increase in staff costs of approximately RMB7.3 million as a result of the provision of bonus which is in line with the increase in profit for the period, which was partially offset by the decrease in consultancy fee of approximately RMB3.7 million as a reduction of expenses related to feasibility study in Malaysia.

R&D expenses

R&D expenses primarily comprise 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 maintained at approximately RMB26.0 million for the six months ended 30 June 2025 and 2026.

Finance costs

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

Our finance costs decreased from approximately RMB19.6 million for the six months ended 30 June 2025 to approximately RMB17.1 million for the six months ended 30 June 2026. The decrease in finance costs was mainly due to the repayment of a long-term loan with a relative high interest rate of 7.2% during the current period and last year.

Income tax expenses

Our income tax expenses increased from approximately RMB2.7 million for the six months ended 30 June 2025 to approximately RMB13.0 million for the six months ended 30 June 2026. Our effective tax rate was approximately 29.0% (2025: 25.8%) for the six months ended 30 June 2026. The increase of income tax expense was in line with the increase in profit before tax for the current period, whereas the effective tax rate was maintained at a similar level during the current period.

Profit for the period

As a result of the foregoing, we recorded a profit for the period of approximately RMB31.7 million for the six months ended 30 June 2026, comparing to a profit for the period of approximately RMB7.9 million for the six months ended 30 June 2025, as a combined result of the above fluctuations

PROSPECTS

The Middle East war has created a lasting supply shock fundamentally reshaping chemical markets in 2026. The effective closure of the Strait of Hormuz has disrupted global supply chains and driven up prices for ethylene and other oil-derived commodities. While raw material costs have increased worldwide, abundant production capacity in China has maintained a highly competitive market environment. Iodine derivatives face production cost inflation from higher energy and logistics expenses. The effects of these disruptions are expected to persist beyond the resolution of geopolitical tensions, as restoring production facilities and supply infrastructure may take months, if not years.

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 the shareholders of the Company (the "**Shareholders**") through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, including bank and other borrowings and loans from related companies, and equity attributable to owners of the Company, comprising issued capital and reserves. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issuance of debts and repayment of existing borrowings. The Group's overall strategy remained unchanged throughout the period.

During the six months ended 30 June 2026, the Group's working capital was financed by both internal resources and borrowings.

As at 30 June 2026, the Group's total assets and bank balances and cash amounted to approximately RMB2,168.4 million (31 December 2025: RMB2,068.2 million) and RMB136.7 million (31 December 2025: RMB115.8 million), respectively. The bank balances and cash were mainly denominated in RMB and US$.

As at 30 June 2026, the borrowings (including loans from related companies) were approximately RMB883.9 million (31 December 2025: RMB810.4 million). As at 30 June 2026, borrowings amounting to approximately RMB883.9 million (31 December 2025: RMB810.4 million) are carried at fixed interest rates ranging from 2.4% to 7.2% (31 December 2025: from 2.4% to 7.2%) per annum and repayable from 2026 to 2050 (31 December 2025: from 2026 to 2050).

The gearing ratio of the Group, which was calculated by dividing the total external borrowings by total equity as at the end of the period and multiplied by 100%, is 132.7% (31 December 2025: 127.5%). The increase in gearing ratio of the Group was mainly due to the increasing borrowing as at 30 June 2026.

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 condensed 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 each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group performs impairment assessment under expected credit loss model upon the application of IFRS 9 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 expected credit loss.

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 period.

For other receivables, rental deposits and amount due from an associate, 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 and amount due from an associate is insignificant.

The Group has concentration of credit risk on bank balances and restricted bank deposits which are deposited with several banks. However, the credit risk on bank balances 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 Group has no significant concentration of credit risk on trade and bill receivables 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 period. 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 period, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL EXPENDITURES

During the period, the Group's capital expenditures consisted of additions to property, plant and equipment and construction in progress in our operations amounting to approximately RMB57.4 million (2025: RMB70.1 million).

CAPITAL COMMITMENT

As at 30 June 2026, the Group had a capital commitment of approximately RMB8.9 million (31 December 2025: RMB12.0 million). The capital commitments were primarily related 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 bank and other borrowings.

PLEDGE OF ASSETS

As at 30 June 2026, save as (i) restricted bank deposits of approximately RMB40.5 million (31 December 2025: RMB51.1 million); (ii) right-of-use assets and property, plant and equipment of approximately RMB60.1 million and RMB112.7 million respectively (31 December 2025: right-of-use assets and property, plant and equipment of approximately RMB61.5 million and RMB304.3 million respectively); (iii) bill receivables at fair value through other comprehensive income of approximately RMB78.3 million (31 December 2025: RMB65.4 million); (iv) cash and cash equivalents of approximately RMB1.3 million (31 December 2025: RMB1.8 million); (v) inventories of approximately RMB21.7 million (31 December 2025: RMB12.4 million); and (vi) trade receivables and other receivables and prepayments of approximately RMB6.2 million (31 December 2025: RMB1.8 million) to secure the borrowings, the Group did not pledge any other assets.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 1,123 (2025: 1,093) employees, including the Directors. Total staff costs (including Directors' remuneration) was approximately RMB82.6 million (2025: RMB71.8 million) for the six months ended 30 June 2026.

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 (the "**Share Option Scheme**") where options to subscribe for Shares may be granted to the Directors and employees of the Group.

As at 30 June 2026, no Share options were granted, cancelled, lapsed or forfeited under the Share Option Scheme and there were no outstanding Share options under the Share Option Scheme as at 30 June 2026. At the beginning and the end of the period ended 30 June 2026, the total number of Shares that can be granted under the Share Option Scheme was 100,000,000 and 100,000,000 respectively, which represented approximately 9.91% and 9.91% of the issued share capital of the Company at such dates, respectively. As at the date of this announcement, the total number of Shares available for issue under the Share Option Scheme was 100,000,000 Shares, representing approximately 9.91% of the total number of issued Shares on such date.

The Company adopted a share award plan on 1 March 2023. Please refer to the section headed "Share Award Plan" below for details.

SHARE AWARD PLAN

On 1 March 2023, the Company adopted a share award plan (the "**Share Award Plan**"). Details of which were disclosed in the announcement (the "**Announcement**") dated 1 March 2023 (the "**Adoption Date**"). The purposes of the Plan are to recognise and reward the contribution of Eligible Participants (as defined in the Announcement), to give incentives to Eligible Participants in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

The vesting date in respect of any award shall be not less than 12 months from the grant date. The aggregate maximum number of Shares (the "**Plan Mandate Limit**") (i) to be purchased by the trustee by applying the group contribution; and (ii) to be issued under any other share option schemes adopted or to be adopted by the Company from time to time, shall not exceed 10% of the total number of issued Shares as at the adoption date or the relevant date of approval of the refreshment of the Plan Mandate Limit. The aggregate maximum number of Shares (the "**Service Provider Sub-limit**") to be purchased by the trustee by applying the group contribution for the awards to be awarded to all service providers pursuant to the Share Award Plan shall not exceed 10% of the total number of issued Shares as at the adoption date or the relevant date of approval of the refreshment of the Service Provider Sub-limit. The maximum entitlement of each Eligible Participant shall not exceed 1% of the issued Shares at the Adoption Date (i.e. 10,000,000 Shares). The number of awards available for grant as of 1 January 2026 and 30 June 2026 are 64,276,000 Shares and 66,298,000 Shares, respectively, representing approximately 6.37% and 6.57% of the total number of issued share capital of the Company at such dates respectively.

The Share Award Plan shall be valid and effective for a period of 10 years commencing from the adoption date but may be terminated earlier as determined by the Board or the Remuneration Committee, provided that such termination shall not affect any subsisting rights of any selected participant.

On 23 December 2024, the Company entered into a public relation consultancy agreement with DLK Advisory Group Limited (the "**Service Provider**"), pursuant to the which, as the settlement of part of the consultancy service, 33,035 Shares will be granted to the Service Provider on 23 June 2025 and the remaining 33,035 Shares will be granted on 23 September 2025, at nil consideration with a vesting period of 1 year from the date of grant. Details of the transaction can be referred to the announcements of the Company dated 23 December 2024. As at the date of this announcement, the Company is negotiating an extension with the Service Provider and no shares have been granted to the Service Provider.

As at the date of this announcement, no Shares were outstanding under the Share Award Plan. Details of the awards granted and outstanding are set out below:

Name of Grantee	Headcount	Date of Grant	Vesting Period	Outstanding as at 1 January 2026	Number of Shares under the Share Awards Granted during the six months ended 30 June 2026	Vested during the six months ended 30 June 2026	Lapsed/ cancelled during the six months ended 30 June 2026	Outstanding as at 30 June 2026
Directors:								
Mr. Zhuang Zhaohui		20 January 2025	One year	36,000	—	(36,000)	—	—
Mr. Zhou Chunnian		20 January 2025	One year	20,000	—	(20,000)	—	—
Mr. Chen Hua		20 January 2025	One year	12,000	—	(12,000)	—	—
Mr. Diao Cheng		20 January 2025	One year	6,000	—	(6,000)	—	—
Employees:								
Connected persons — Group A (Note 1)	2	20 January 2025	One year	20,000	—	(20,000)	—	—
Connected persons — Group B (Note 2)	11	20 January 2025	One year	184,000	—	(184,000)	—	—
Connected persons — Group B (Note 2)	2	20 January 2025	One year	20,000	—	(20,000)	—	—
Employees	129	20 January 2025	One year	337,500	—	(327,500)	(10,000)	—
Employees	87	21 January 2025	One year	268,500	—	(252,500)	(16,000)	—
Total:				904,000	—	(878,000)	(26,000)	—

Notes:

1. Connected persons- Group A represents Ms. Wang Wei and Mr. Pan Bing, who are viewed as Controlling Shareholder and thus connected persons of the Company. For details, please refer to the Prospectus.

2. Connected persons- Group B represents senior management and directors of subsidiaries of the Company, and thus connected persons of the Company.

The fair values of the share awards determined at the dates of grant were HK$1,398,000 and HK$601,000 (equivalent to RMB1,287,000 and RMB553,000), respectively. The closing prices of the Company's shares immediately before 20 January 2025 and 21 January 2025, the dates of grant, was HK$2.20 and HK$2.24, respectively. The fair value of the share awards was measured at the market price of the Company's share at the date at which the share awards were granted.

As no options were granted during the six months ended 30 June 2026 and no new Shares will be issued pursuant to the Share Award Plan, the aggregate number of Shares that may be issued in respect of the options and awards granted under all schemes of the Company during the six months ended 30 June 2026 was nil, representing 0% of the weighted average number of Shares in issue (excluding treasury shares) for the six months ended 30 June 2026.

SIGNIFICANT INVESTMENTS

During the six months ended 30 June 2026, the Group did not hold any significant investment or capital assets (2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL EXPENDITURES

The Group did not have any other plans for material investments or capital expenditures 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 material subsidiaries, associates or joint ventures during the six months ended 30 June 2026.

EVENTS AFTER REPORTING PERIOD

The Group does not have any material subsequent event after the six months ended 30 June 2026 and up to the date of this announcement.

AUDIT COMMITTEE AND REVIEW OF CONDENSED 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, internal control and risk management systems, including, among others, material risks relating to environmental, social and governance ("**ESG**"), 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 internal control and risk management and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 with the management, and that adequate disclosures have been made with no disagreement by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company adopted a share award plan on 1 March 2023. Details of which were disclosed in the announcement dated 1 March 2023. The number of awards available for grant as of 1 January 2026 and 30 June 2026 are 64,276,000 Shares and 66,298,000 Shares, respectively, representing approximately 6.37% and 6.57% of the total number of issued share capital of the Company at such dates respectively.

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period ended 30 June 2026 and up to the date of this announcement.

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 (the "**Model Code**") as set forth in Appendix C3 of the Listing Rules as its own code of conduct regarding the dealings in securities of the Company by the Directors during the period ended 30 June 2026.

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 for the period ended 30 June 2026 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provision (the "**Code Provisions**") as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). During the six months ended 30 June 2026, 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" of this announcement. 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 six months ended 30 June 2026, the Company has not separated the roles of the Chairman of the Board and the Chief Executive Officer of the Company. Mr. Yin Yanbin was the Chairman of the Board and also the Chief Executive Officer of the Company responsible for overseeing the operations of the Group during the period. 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.

The CG Code stipulates that the Chairman of the Board should at least annually hold meetings with the Independent Non-executive Directors without the executive Directors present. During the six months ended 30 June 2026, the Chairman held a meeting with the Independent Non executive Directors without the presence of other executive Directors.

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

This interim results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company at www.goldenhighway.com, and the interim report of the Company for six months ended 30 June 2026 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of Stock Exchange and the Company in due course.

By order of the Board
GHW International
Yin Yanbin
Chairman and Chief Executive Officer

Hong Kong, 25 August 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.