CHESIR

GLOBAL NEW MATERIAL INTERNATIONAL HOLDINGS LIMITED
环球新材国际控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 06616)

PROFIT WARNING

This announcement is made by Global New Material International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the "**Board**") of the Company hereby notifies the shareholders and potential investors of the Company that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2026 (the "**Review Period**") and the information currently available, the Group is expected to record revenue of approximately RMB2,500 million to 2,700 million for the Review Period, representing an increase of approximately 180% to 200%, as compared with approximately RMB912 million for the corresponding period in 2025.

The Group is expected to record a loss for the period of approximately RMB50 million to 100 million for the Review Period, as compared with a profit for the period of approximately RMB100 million for the corresponding period in 2025.

The Group is expected to record earnings before interest, tax, depreciation and amortisation (EBITDA) of approximately RMB450 million to 500 million for the Review Period, representing an increase of approximately 30% to 45% compared with approximately RMB344 million for the corresponding period in 2025; adjusted EBITDA is expected to be approximately RMB500 million to 600 million, representing an increase of approximately 16% to 39% compared with approximately RMB431 million for the corresponding period in 2025.

The loss of the Group recorded in the Review Period was primarily due to the fact that the Group completed the acquisition of Merck Group's ("**Merck**") global surface solution business (the "**Acquisition**") in July 2025, which resulted in the following non-cash and one-off items in connection with the Acquisition:

(i) fair value adjustments and amortisation of intangible assets arising from the Acquisition of approximately RMB130 million to 140 million;

(ii) one-off transaction costs and professional fees relating to the Acquisition and completion of approximately RMB20 million to 30 million; and

(iii) the total business integration expenses amounted to RMB 60 million to 70 million, including Transitional Service Agreement ("**TSA**") fees payable to Merck for the operation of the German business, as well as other costs and expenses borne by the Group in connection with the Acquisition.

During the Review Period, the Group recognised non-cash fair value gains of approximately RMB100 million to 110 million in respect of the derivative component of outstanding convertible bonds (corresponding period in 2025: fair value losses of approximately RMB1 million), and incurred finance costs of approximately RMB70 million to 80 million (corresponding period in 2025: finance costs of approximately RMB27 million). The aggregate net impact of the aforesaid two items on the Group's profit before taxation for the Review Period amounted to a net profit of approximately RMB20 million to 40 million (corresponding period in 2025: net loss of approximately RMB28 million).

The above fair value gains are non-cash in nature, fluctuate with changes in the Company's share price and other market parameters, and may turn into fair value losses in future periods, and do not reflect the core operating performance of the Group.

Most of the above items are non-cash in nature (such as fair value adjustments and amortisation of intangible assets) or one-off costs relating to the Acquisition and have not caused any material adverse impact on the production-operation cash flows and daily operations of the Group. The expected loss recorded for the Review Period represents a phased accounting performance during the merger and integration period. With the advancement of business integration, realisation of synergies and subsequent optimisation of debt structure, there is room for recovery in the medium-to-long-term profitability.

As the Company is still preparing the unaudited interim consolidated financial results of the Group for the Review Period, the final outcomes of the assessment and valuation of the relevant assets of the Group remain to be determined. Accordingly, the information contained in this announcement constitutes only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the Review Period and the information currently available, which has not been audited or reviewed by the independent auditor or the Audit Committee of the Company and is subject to adjustment upon further review. The interim results of the Group for the six months ended 30 June 2026 are expected to be published by the end of August 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Global New Material International Holdings Limited
Dr SU Ertian
Chairman and Chief Executive Officer

Hong Kong, 10 August 2026

As of the date of this announcement, the Board comprises Dr SU Ertian (Chairman and Chief Executive Officer), Mr JIN Zengqin, Mr ZHOU Fangchao, Mr BAI Zhihuan, Ms ZENG Zhu and Mr LIM Kwang Su as executive Directors, Mr HU Yongxiang as non-executive Director, and Mr HUI Chi Fung, Professor HAN Gaorong, Mr LEUNG Kwai Wah Alex and Professor CHEN Fadong as independent non-executive Directors.